



## LONG BEACH UNIFIED SCHOOL DISTRICT

Office of the Chief Business and Financial Officer

1515 Hughes Way, CA 90810-1839 • (562) 997-8189 • FAX (562) 997-8284

BY OVERNIGHT EXPRESS

March 22, 2011

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

38      APRIL 5, 2011

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Los Angeles County Counsel  
**Attention: Cammy DuPont, Esq.**  
648 Kenneth Hall of Administration  
500 W. Temple Street  
Los Angeles, CA 90012

**Re: Long Beach Unified School District, Election of 2008 General Obligation Bonds Series B and B-1 (Qualified School Construction Bonds), and 2011 General Obligation Refunding Bonds; Request to the Los Angeles County Board of Supervisors to Levy Taxes and to Direct the Auditor-Controller to Place Taxes on Tax Roll**

Dear Ms. DuPont:

On March 15, 2011, the Board of Education of the Long Beach Unified School District (the "District") adopted a resolution (the "New Money Resolution") authorizing the issuance and sale of the District's Election of 2008 General Obligation Bonds, Series B and B-1 (Qualified School Construction Bonds) (the "New Money Bonds"). A certified copy of the New Money Resolution was previously sent to your attention by letter dated March 16, 2011. The New Money Resolution is in full force and effect and no action has been taken by the District Board to amend or rescind it.

Concurrently with the issuance of the New Money Bonds, the District intends to sell its 2011 General Obligation Refunding Bonds (the "Refunding Bonds") to refund outstanding bonds from a 1999 authorization. The Refunding Bonds were authorized by the Board of Education pursuant to a resolution (the "Refunding Resolution") adopted by the District Board on December 1, 2009. An original copy of the Refunding Resolution is being forwarded to your attention by our bond counsel; however, for your records we have also included a copy of the Refunding Resolution with this letter.

The District hereby formally requests, in accordance with Education Code Section 15250, that the Los Angeles County Board of Supervisors (the "County Board") adopt a resolution (the "County Resolution") to levy the appropriate taxes for payment of both the New Money Bonds and Refunding Bonds (collectively, the "Bonds"), to direct the County Auditor-Controller to place these taxes on the tax roll every year according to a debt service schedule to be supplied by the District following the sale of the Bonds, and to direct the County Treasurer and Tax Collector to serve as the Paying Agent for the Bonds. A form of this County Resolution is being sent to your attention under separate cover by our bond counsel. Once you've completed your review, please forward it to the Executive Office of the County Board for inclusion on the April 5<sup>th</sup> agenda for the County Board.

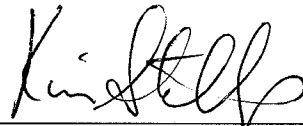
After the County Board has taken action on this letter, the District also respectfully requests that the Executive Officer-Clerk of the County Board furnish two (2) certified copies of the adopted resolution to our bond counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, at 44 Montgomery Street, Suite 4200, San Francisco, CA 94104, Attn: David Casnocha, and send one (1) copy of the adopted resolution to each of the following:

- (a) Los Angeles County Treasurer and Tax Collector  
Attention: John Patterson  
500 W. Temple Street, Suite 437  
Los Angeles, CA 90012
- (b) Los Angeles County Auditor-Controller  
Attention: Jackie Guevarra  
500 W. Temple Street, Suite 603  
Los Angeles, CA 90012

Should you have any questions or concerns regarding this request, please feel free to contact our bond counsel, David Casnocha, at (415) 283-2241.

Sincerely,

LONG BEACH UNIFIED SCHOOL DISTRICT

By: 

Kim Stallings  
Chief Business and Financial Officer

cc: David Casnocha, Esq. *(w/out enclosures)*

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, CALIFORNIA AUTHORIZING THE LEVY OF TAXES FOR GENERAL OBLIGATION BONDS OF THE LONG BEACH UNIFIED SCHOOL DISTRICT, DESIGNATING THE PAYING AGENT THEREFOR AND DIRECTING THE COUNTY AUDITOR-CONTROLLER TO MAINTAIN TAXES ON THE TAX ROLL**

**WHEREAS**, a duly called municipal election (the “2008 Election”) was held in the Long Beach Unified School District (the “District”), Los Angeles County (the “County”), State of California on November 4, 2008 and thereafter canvassed pursuant to law;

**WHEREAS**, at such 2008 Election there was submitted to and approved by an affirmative vote of the requisite fifty-five percent of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$1,200,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the “2008 Authorization”);

**WHEREAS**, on May 17, 2009, the Board of Supervisors of the County (the “County Board”) issued on behalf of the District the first series of bonds under the 2008 Authorization in an aggregate principal amount of \$260,000,000;

**WHEREAS**, the Board of Education (the “School Board”) of the District, has determined in a resolution adopted on March 15, 2011 (the “New Money Resolution”) to authorize the issuance and sale of a second series of bonds under the 2008 Authorization in an aggregate principal amount not-to-exceed \$77,000,000 (the “New Money Bonds”);

**WHEREAS**, the American Recovery and Reinvestment Act of 2009 (“ARRA”) grants national allocations of \$11 billion (the “National Allocations”) for each of calendar years 2009 and 2010 to provide for the issuance of qualified school construction tax credit bonds (“QSC Bonds”) to provide financing for the construction, reconstruction and repair of public school facilities, in accordance with the qualified tax credit bond program found in Section 54A of the Internal Revenue Code of 1986, as amended (the “Code”);

**WHEREAS**, the District has received from the United States Department of the Treasury portions of such National Allocations the amounts of \$34,501,000 for calendar year 2009 and \$37,905,000 for calendar year 2010;

**WHEREAS**, the Hiring Incentives to Restore Employment Act (the “HIRE Act”) implemented changes to certain provisions in the Code permitting the issuance of QSC Bonds in the form of taxable, interest-bearing bonds with respect to which the issuer thereof may receive a cash subsidy payment from the United States Treasury on or about each interest payment date for such bonds (“Direct-Payment QSC Bonds”);

**WHEREAS**, as adopted, the New Money Resolution authorized the issuance of a portion of the New Money Bonds as Direct-Payment QSC Bonds pursuant to Section 54A(d)(1) and Section 6431(f) of the Code;

**WHEREAS**, the New Money Bonds are authorized to be issued by the District pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”);

**WHEREAS**, a duly called election was held in the District on March 30, 1999 (the “1999 Election”) and thereafter canvassed pursuant to law;

**WHEREAS**, at the 1999 Election there was submitted to and approved by the requisite two-thirds vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$295,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the “1999 Authorization”);

**WHEREAS**, the Board of Supervisors of the County (the “County Board”) has previously issued on behalf of the District the following series of bonds pursuant to the 1999 Authorization: (i) \$60,000,000 Long Beach Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 1999, Series C (the “Series C Bonds”); (ii) \$40,000,000 Long Beach Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 1999, Series D (the “Series D Bonds”); (iii) \$60,000,000 Long Beach Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 1999, Series E (the “Series E Bonds”); (iv) \$50,000,000 Long Beach Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 1999, Series F (the “Series F Bonds,” and, together with the Series C Bonds, the Series D Bonds and the Series E Bonds, the “Prior Bonds”);

**WHEREAS**, the School Board determined in a resolution adopted on December 1, 2009 (the “Refunding Resolution,” and, together with the New Money Resolution, the “Resolutions”) to authorize the issuance and sale of one or more series of general obligation refunding bonds in the aggregate principal amount of not to exceed \$91,000,000 to refund all or a portion of the Prior Bonds pursuant to Section 53550 of the California Government Code;

**WHEREAS**, on March 3, 2010, the District issued the first such series of refunding bonds in an aggregate principal amount of \$51,720,000;

**WHEREAS**, the District now desires to issue a second series of such refunding bonds (the “Refunding Bonds”) pursuant to the Refunding Resolution, in an amount not to exceed the remaining authorization thereunder;

**WHEREAS**, the County Board has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Refunding Bonds and the New Money Bonds (together, the “Bonds”) when due, and to direct the Auditor-Controller of the County to maintain on its tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedules therefor that will be provided to the Auditor-Controller by the District following the sale of Bonds; and

**WHEREAS**, the District has requested that the County of Los Angeles Treasurer and Tax Collector (the “Treasurer”) be appointed by the County Board to act as the authenticating

agent, bond registrar, transfer agent and paying agent (collectively, the “Paying Agent”) for the Bonds pursuant to the Resolutions.

**NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1. Approval of General Obligation Bond Issuance by the District.** That this County Board hereby authorizes and approves the issuance of the New Money Bonds by the District on its own behalf under the Act pursuant to the powers granted the County under Section 15140(b) of the Education Code of the State.

**SECTION 2. Levy of Taxes.** That this County Board levy taxes in an amount sufficient to pay the principal of and interest on the Bonds.

**SECTION 3. Preparation of Tax Roll.** That the Auditor-Controller of the County of Los Angeles is hereby directed to maintain on its tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedules for the Bonds which will be provided to the Auditor-Controller by the District following the sale thereof.

**SECTION 4. Paying Agent.** That the Treasurer, or the Treasurer’s third-party designee, act as Paying Agent for the Bonds. The Treasurer is authorized to contract with a third party to perform the services of Paying Agent.

**SECTION 5. Effective Date.** That this Resolution shall take effect immediately upon its passage.

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The foregoing resolution was adopted on the 5<sup>th</sup> day of April 2011, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



SACHI A. HAMAI, Executive  
Officer-Clerk of the Board of  
Supervisors of the County of Los  
Angeles

By:

*Lachelle Smithman*  
Deputy

APPROVED AS TO FORM:  
ANDREA SHERIDAN ORDIN  
COUNTY COUNSEL

By:

*Andrea Sheridan Ordine*  
Principal Deputy County Counsel



## RESOLUTION NO. 120109-A

### A RESOLUTION OF THE GOVERNING BOARD OF EDUCATION OF THE LONG BEACH UNIFIED SCHOOL DISTRICT PROVIDING FOR THE ISSUANCE AND SALE OF LONG BEACH UNIFIED SCHOOL DISTRICT (LOS ANGELES COUNTY, CALIFORNIA) 2009 GENERAL OBLIGATION REFUNDING BONDS, SERIES C

**WHEREAS**, a duly called special bond election was held in the Long Beach Unified School District, Los Angeles County, State of California (hereinafter referred to as the "District"), on March 30, 1999 (the "Authorization") and thereafter canvassed pursuant to law;

**WHEREAS**, at such election there was submitted to and approved by more than the requisite two-thirds vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$295,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District;

**WHEREAS**, the County of Los Angeles (the "County") previously on behalf of the District the following series of bonds under the Authorization: (i) the first series of bonds dated July 15, 1999 in an aggregate principal amount of \$25,000,000 (the "Series A Bonds"); (ii) the second series of bonds dated July 1, 2000 in the aggregate principal amount of \$30,000,000 (the "Series B Bonds"); (iii) the third series of bonds dated August 1, 2001 in the aggregate principal amount of \$60,000,000 (the "Series C Bonds"); (iv) the fourth series of bonds dated May 1, 2002 in the aggregate principal amount of \$40,000,000 (the "Series D Bonds"); (v) the fifth series of bonds dated May 1, 2003 in the aggregate principal amount of \$60,000,000 (the "Series E Bonds"); and (vi) the sixth series of bonds June 1, 2004 in the aggregate principal amount of \$50,000,000 (the "Series F Bonds," and collectively with the Series A Bonds, Series B Bonds, Series C Bonds, Series D Bonds, and the Series E Bonds, the "Prior Bonds");

**WHEREAS**, the District has previously issued two series of refunding bonds which have refunded a portion of the Prior Bonds;

**WHEREAS**, pursuant to Section 53550 of the Government Code, the District is authorized to issue refunding bonds (the "Refunding Bonds") to refund all or a portion of the remaining outstanding Prior Bonds (collectively, the "Refunded Bonds");

**WHEREAS**, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation refunding bonds of the District, and the indebtedness of the District, including this proposed issue of Refunding Bonds, is within all limits prescribed by law;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE LONG BEACH UNIFIED SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA, AS FOLLOWS:**

**SECTION 1. Purpose.** That to refund the aggregate principal amount of the Refunded Bonds, to provide funds for authorized projects, and to pay all necessary legal, financial, and contingent costs in connection therewith, the District authorizes the issuance of the Refunding Bonds, to be styled as "Long Beach Unified School District (Los Angeles County, California) 2009 General Obligation Refunding Bonds, Series C" (the "Refunding Bonds"), in one or more series in an aggregate principal amount not to exceed \$91,000,000, with appropriate series

designation if more than one series is issued. Additional costs authorized to be paid from the proceeds of the Refunding Bonds are all of the authorized costs of issuance set forth in Section 53550(e) and (f) and Section 53587 of the Government Code.

**SECTION 2. Paying Agent.** The Board does hereby appoint the Los Angeles County Treasurer and Tax Collector to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Refunding Bonds. The Los Angeles County Treasurer and Tax Collector is authorized to contract with any third party to perform the services of the Bond Registrar. The District acknowledges that ongoing expenses and fees of the Bond Registrar and all other fees and costs incurred in connection with the Bonds will be paid by the District.

**SECTION 3. Terms and Conditions of Sale.** The Refunding Bonds shall be sold at one or more negotiated sales upon the direction of the Superintendent of the District (the "Superintendent") or the Chief Business & Financial Officer of the District (the "Chief Business & Financial Officer") or any official serving in such office in an interim capacity. The Refunding Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below.

**SECTION 4. Approval of Purchase Contract.** The form of Purchase Contract (the "Purchase Contract") by and between the District and Piper Jaffray & Co. (the "Underwriter"), for the purchase and sale of the Refunding Bonds, substantially in the form on file with the Clerk of the Board, is hereby approved and the Superintendent, the Chief Business & Financial Officer of the District, each alone, or a designated deputy thereof, is hereby authorized to execute and deliver the Purchase Contract, but with such changes therein, deletions therefrom and modifications thereto as the Superintendent, the Chief Business & Financial Officer or designated deputy thereof, each alone, may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the maximum interest rates of the Refunding Bonds shall not exceed the maximum rate permitted by law, and the underwriting discount, excluding original issue discount thereon, shall not exceed 0.275% of the aggregate principal amount of the Refunding Bonds. The Superintendent, the Chief Business & Financial Officer or any designated deputy thereof, each alone, is further authorized to determine the principal amount of the Refunding Bonds to be specified in the Purchase Contract for sale by the District up to \$91,000,000 and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied.

**SECTION 5. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

- (a) **"Act"** means Sections 53550 *et seq.* of the California Government Code.
- (b) **"Accreted Interest"** means, with respect to the Capital Appreciation Bonds, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.
- (c) **"Accreted Value"** means with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1 (commencing on February 1, 2010 (unless otherwise provided in the Purchase Contract)) at the stated Accretion Rate to maturity thereof, assuming in any such semiannual period that such



Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

(d) **“Accretion Rate”** means, unless otherwise provided by the Purchase Contract, that rate which, when applied to the Denominational Amount of any Capital Appreciation Bond and compounded semiannually on each February 1 and August 1 (commencing February 1, 2010), produces the Maturity Value on the maturity date.

(e) **“Authorization”** means the authorization received by the District to issue the Prior Bonds at an election held on March 30, 1999.

(f) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of principal and Maturity Value of and interest on the Refunding Bonds.

(g) **“Bond Payment Date”** means, unless otherwise provided by the Purchase Contract, February 1 and August 1 of each year commencing February 1, 2010 with respect to the interest on the Current Interest Bonds, August 1 of each year commencing August 1, 2010 with respect to the principal payments on the Current Interest Bonds and, with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

(h) **“Bond Registrar”** means the Los Angeles County Treasurer and Tax Collector or any successor thereto.

(i) **“Capital Appreciation Bonds”** means the Refunding Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Value for such Refunding Bonds in the Official Statement.

(j) **“Current Interest Bonds”** means the Refunding Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

(k) **“Denominational Amount”** means, with respect to the Capital Appreciation Bonds, the initial principal amount thereof.

(l) **“Depository”** means the securities depository acting as Depository pursuant to Section 6(c) hereof.

(m) **“DTC”** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Refunding Bonds.

(n) **“Escrow Agreement”** means the Escrow Agreement relating to the Refunded Bonds, dated as of December 1, 2009 (or such other date as specified in the Official Statement), by and between the District and U.S. Bank National Association, or any other successor thereto, as escrow agent.

(o) **“Federal Securities”** means direct or indirect noncallable obligations of, or noncallable, nonprepayable obligations unconditionally guaranteed as to full and timely payment of principal and interest by, the United States of America, but excluding investments in mutual funds or unit investment trusts.

(p) **"Information Services"** means Financial Information, Inc.'s Financial Daily Called Bond Service; Mergent, Inc.'s Called Bond Department; or Standard & Poor's J. J. Kenny Information Services Called Bond Service.

(q) **"Maturity Value"** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(r) **"Nominee"** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 6(c) hereof.

(s) **"Participants"** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(t) **"Principal" or "Principal Amount"** means, with respect to any Current Interest Bond, the principal or principal amount thereof and, with respect to any Capital Appreciation Bond, the Denominational Amount.

(u) **"Record Date"** means the fifteenth (15th) day of the month preceding each Bond Payment Date.

(v) **"Securities Depositories"** means The Depository Trust Company, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320.

(w) **"Term Bonds"** means those Refunding Bonds for which mandatory redemption dates have been established in the Purchase Contract.

(x) **"Transfer Amount"** means, with respect to any Outstanding Current Interest Bond, the Principal Amount and, with respect to any Capital Appreciation Bond, the Maturity Value.

## **SECTION 6. Terms of the Refunding Bonds.**

(a) Denomination, Interest, Dated Dates. The Refunding Bonds shall be issued as bonds registered as to both principal and interest, in the denominations of, with respect to the Current Interest Bonds, \$5,000 Principal Amount or any integral multiple thereof (except for one odd denomination), and with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value or any integral multiple thereof (except for one odd denomination). The Refunding Bonds will be initially registered to "Cede & Co.," the nominee of the Depository Trust Company, New York, New York.

Each Capital Appreciation Bond shall be dated, and shall accrete interest from, its date of initial issuance. Capital Appreciation Bonds will not bear interest on a current basis.

Each Current Interest Bond shall be dated the date of delivery or such other date as shall appear in the Purchase Contract or the Official Statement (the "Date of Delivery"), and shall bear interest at the rates set forth in the Purchase Contract from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2010 or such other date set forth in the

Purchase Contract or the Official Statement, in which event it shall bear interest from the Date of Delivery. Interest with respect to the Current Interest Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The Capital Appreciation Bonds shall mature in the years and shall be issued in the aggregate Denominational Amount set forth in the Purchase Contract or the Official Statement and shall compound interest at the Accretion Rates and shall have Denominational Amounts per each five thousand dollars (\$5,000) in Maturity Value as shown in the Accreted Value Table attached to the Official Statement; provided, that in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the District and approved by the Bond Insurer by application of the definition of Accreted Value set forth in Section 5 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond.

The Refunding Bonds shall bear or accrete interest at a rate or rates such that the average interest rates and maximum interest yields of the Refunding Bonds shall not exceed the maximum rate permitted by law. Interest shall be payable on the respective Bond Payment Dates.

No Refunding Bond attributable to the refunding of the Series A Bonds shall mature later than August 1, 2029; no Refunding Bond attributable to the refunding of the Series C Bonds shall mature later than August 1, 2031; no Refunding Bond attributable to the refunding of the Series D Bonds shall mature later than August 1, 2031; no Refunding Bond attributable to the refunding of the Series E Bonds shall mature later than August 1, 2032, and no Refunding Bond attributable to the refunding of the Series F Bonds shall mature later than August 1, 2033.

(b) Redemption.

(i) Optional Redemption. The Refunding Bonds shall be subject to optional redemption prior to maturity as provided in the Purchase Contract or the Official Statement.

(ii) Mandatory Redemption. Any Refunding Bonds issued as Term Bonds shall be subject to mandatory sinking fund redemption as provided in the Purchase Contract or the Official Statement.

(iii) Selection of Refunding Bonds for Redemption. Whenever provision is made in this Resolution for the redemption of Refunding Bonds and less than all Outstanding Refunding Bonds are to be redeemed, the Bond Registrar, upon written instruction from the District, shall select Refunding Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Bond Registrar shall select Refunding Bonds for redemption by lot. Redemption by lot shall be in such manner as the Bond Registrar shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof.

(iv) Notice of Redemption. When redemption is authorized or required pursuant to Section 6(b)(i) hereof, the Bond Registrar, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Refunding Bonds. Such Redemption Notice shall specify: the Refunding Bonds or designated

portions thereof (in the case of redemption of the Refunding Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Bond Registrar, the redemption price, the CUSIP numbers (if any) assigned to the Refunding Bonds to be redeemed, the Refunding Bond numbers of the Refunding Bonds to be redeemed in whole or in part and, in the case of any Refunding Bond to be redeemed in part only, the Principal Amount of such Refunding Bond to be redeemed, and the original issue date, interest rate or Accretion Rate and stated maturity date of each Refunding Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Refunding Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date thereon, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

The Bond Registrar shall take the following actions with respect to such Redemption Notice:

(A) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Refunding Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(B) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service to each of the Securities Depositories.

(C) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service to one of the Information Services.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Refunding Bonds. Each check issued or other transfer of funds made by the Bond Registrar for the purpose of redeeming Refunding Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Refunding Bonds being redeemed with the proceeds of such check or other transfer.

(v) Partial Redemption of Refunding Bonds. Upon the surrender of any Refunding Bond redeemed in part only, the Bond Registrar shall execute and deliver to the Owner thereof a new Refunding Bond or Refunding Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(vi) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest accrued or accreted to the applicable date of redemption) having been set aside in the District's Debt Service Fund, the Refunding Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Refunding Bonds to be redeemed as provided in Section 6(b)(i) hereof, together with interest accrued or accreted to such redemption date, shall be held by the Bond Registrar so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Refunding Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Bond Registrar for the redemption of Refunding Bonds shall be held in trust for the account of the Owners of the Refunding Bonds so to be redeemed.

All Refunding Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Refunding Bond purchased by the District shall be cancelled by the Bond Registrar.

(vii) Refunding Bonds No Longer Outstanding. When any Refunding Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Bond Registrar, in form satisfactory to it, and sufficient moneys shall be held by the Bond Registrar irrevocably in trust for the payment of the redemption price of such Refunding Bonds or portions thereof, and, in the case of Current Interest Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Refunding Bonds shall no longer be deemed Outstanding and shall be surrendered to the Bond Registrar for cancellation.

(c) Book-Entry System.

(i) Election of Book-Entry System. The Refunding Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Refunding Bonds in an authorized denomination. The ownership of each such Bond shall be registered in the Bond Register maintained by the Bond Registrar in the name of the Nominee, as nominee of the Depository and ownership of the Refunding Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(i)(4).

The District and the Bond Registrar shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such the Refunding Bonds. Without limiting the immediately preceding sentence, the District and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Refunding Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to the Refunding Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Refunding Bonds to be prepaid in the event the District redeems the Refunding Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Principal, premium, if any, or interest on the Refunding Bonds. The District and the Bond Registrar may treat and consider the person in whose name each the Refunding Bond is registered in the Bond Register as the absolute owner (the "Registered Owner" or "Owner") of such the Refunding Bond for the purpose of payment of Accreted Value or Principal of and premium and interest on and to such Refunding Bond, for the purpose of giving notices of redemption and

other matters with respect to such Refunding Bond, for the purpose of registering transfers with respect to such Refunding Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all Accreted Value or Principal of and premium, if any, and interest on the Refunding Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Accreted Value or Principal of, and premium, if any, and interest on the Refunding Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Accreted Value or Principal of, and premium, if any, and interest on the Refunding Bonds. Upon delivery by the Depository to the Owner and the Bond Registrar, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word "Nominee" in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the Refunding Bonds for the Depository's book-entry system, the District and the Bond Registrar shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Bond Registrar any obligation whatsoever with respect to persons having interests in the Refunding Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the Bond Registrar shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Bond Registrar shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Refunding Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for the Refunding Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Refunding Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such the Refunding Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Refunding Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Refunding Bonds shall designate, in accordance with the provisions of this Section 6(c).

3. Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Refunding Bonds are held in book-entry and registered in the name of the Nominee, all payments by the District or the Bond Register with respect to Accreted Value or Principal of and premium, if any, or interest on the Refunding Bonds and all notices with respect to such Refunding Bonds shall be made and given, respectively to the Nominee, as provided in the Letter of

Representations or as otherwise instructed by the Depository and agreed to by the Bond Registrar notwithstanding any inconsistent provisions herein.

4. Transfer of Refunding Bonds to Substitute Depository.

(A) The Refunding Bonds shall be initially issued as described in the Official Statement. Registered ownership of such Refunding Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its Nominee, or of any substitute depository designated pursuant to Section 6(c)(i)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(1) or (2), upon receipt of all outstanding Refunding Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Refunding Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(3), upon receipt of all outstanding Refunding Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar, new Refunding Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Bond Registrar shall not be required to deliver such new Refunding Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption of any Refunding Bonds evidencing a portion of the Maturity Value or Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Refunding Bonds indicating the date and amounts of such reduction in Maturity Value or Principal, in form acceptable to the Bond Registrar, all in accordance with the Letter of Representations. The Bond Registrar shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Bond Registrar shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Bond Registrar or the District; and the District and the Bond Registrar shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Refunding Bonds. Neither the District nor the Bond Registrar shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Refunding Bonds, and the Bond Registrar may rely conclusively on its records as to the identity of the Owners of the Refunding Bonds.

**SECTION 7. Execution of Refunding Bonds.** The Refunding Bonds shall be signed by the President of the Board of Education of the District, or a designee thereof, by his or her manual or facsimile signature and countersigned by the manual or facsimile signature of the Clerk of the Board, or a designee thereof, all in their official capacities. No Refunding Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Refunding Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Refunding Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution. There shall be attached to each Refunding Bond, the legal opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, and, immediately preceding such legal opinion, a certificate executed with the facsimile signature of the Clerk of the Board of Education, said certificate to be in substantially the following form:

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(Facsimile Signature)  
Clerk, Board of Education

**SECTION 8. Bond Registrar; Transfer and Exchange.** Pursuant to Section 2 hereof, the Board has appointed the Los Angeles County Treasurer and Tax Collector to act as the Bond Registrar for the Refunding Bonds.

So long as any of the Refunding Bonds remain outstanding, the District will cause the Bond Registrar to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Refunding Bonds as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Refunding Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Refunding Bond for all purposes of this Resolution. Payment of or on account of the Principal or Accreted Value of and premium, if any, and interest on any Refunding Bond shall be made only to or upon the order of that person; neither the District nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Refunding Bonds, including interest, to the extent of the amount or amounts so paid.



Any Refunding Bond may be exchanged for Refunding Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Bond Registrar, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. A Refunding Bond may be transferred on the Bond Register only upon presentation and surrender of the Refunding Bond at the principal office of the Bond Registrar together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar. Upon exchange or transfer, the Bond Registrar shall complete, authenticate and deliver a new Refunding Bond or Refunding Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Refunding Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Bond Registrar shall undertake the exchange or transfer of Refunding Bonds only after the new Refunding Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Refunding Bonds, the District shall sign and the Bond Registrar shall authenticate and deliver Refunding Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Refunding Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Refunding Bonds surrendered upon that exchange or transfer.

Any Refunding Bond surrendered to the Bond Registrar for payment, retirement, exchange, replacement or transfer shall be cancelled by the Bond Registrar. The District may at any time deliver to the Bond Registrar for cancellation any previously authenticated and delivered Refunding Bonds that the District may have acquired in any manner whatsoever, and those Refunding Bonds shall be promptly cancelled by the Bond Registrar. Written reports of the surrender and cancellation of Refunding Bonds shall be made to the District by the Bond Registrar on or before February 1 and August 1 of each year. The cancelled Refunding Bonds shall be retained for six years, then returned to the District or destroyed by the Bond Registrar as directed by the District.

Neither the District nor the Bond Registrar will be required (a) to issue or transfer any Refunding Bonds during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of Refunding Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Refunding Bonds which have been selected or called for redemption in whole or in part.

**SECTION 9. Payment.** Payment of interest on any Current Interest Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Bond Registrar as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Bond Registrar for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount or Maturity Value of \$1,000,000 or more may request in writing to the Bond Registrar that such Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date. The principal, and redemption

price, if any, payable on the Current Interest Bonds and the Accreted Value and redemption price, if any, on the Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Bond Registrar. The interest, Accreted Value, Principal and premiums, if any, on the Refunding Bonds shall be payable in lawful money of the United States of America. The Bond Registrar is hereby authorized to pay the Refunding Bonds when duly presented for payment at maturity, and to cancel all Refunding Bonds upon payment thereof. The Refunding Bonds are general obligations of the District, payable without limit as to rate or amount from the levy of *ad valorem* property taxes upon all property subject to taxation within the District.

**SECTION 10. Form of Refunding Bonds.** The Refunding Bonds shall be in substantially the following form, allowing those officials executing the Refunding Bonds to make the insertions and deletions necessary to conform the Refunding Bonds to this Resolution, the Purchase Contract and the Official Statement.

(Form of Current Interest Bond)

REGISTERED  
NO.

REGISTERED  
\$

LONG BEACH UNIFIED SCHOOL DISTRICT  
(LOS ANGELES COUNTY, CALIFORNIA)  
2009 GENERAL OBLIGATION REFUNDING BOND

INTEREST RATE:

\_\_\_\_% per annum

MATURITY DATE:

August 1, \_\_\_\_

DATED AS OF:

\_\_\_\_, 2009

CUSIP

\_\_\_\_\_

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Long Beach Unified School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing February 1, 2010. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2010, in which event it shall bear interest from the Date of Delivery. Interest on this bond shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Bond Registrar, initially U.S. Bank National Association, as agent of the Los Angeles County Treasurer and Tax Collector. Principal is payable upon presentation and surrender of this bond at the principal office of the Bond Registrar. Interest is payable by check or draft mailed by the Bond Registrar on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of \$1,000,000 or more may request in writing to the Bond Registrar that the Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds;

and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond is one of an authorization of bonds issued by the District pursuant to Government Code Section 53550 *et seq.* (the "Act") for the purpose of refunding certain of the District's outstanding \$25,000,000 General Obligation Bonds, Election of 1999, Series A, dated July 27, 1999, \$60,000,000 General Obligation Bonds, Election, Election 1999, Series C, dated August 1, 2001, \$40,000,000 General Obligation Bonds, Election 1999, Series D, dated May 21, 2002, \$60,000,000 General Obligation Bonds, Election 1999, Series E, dated May 20, 2003, and \$50,000,000 General Obligation Bonds, Election 1999, Series F, dated June 22, 2004, and to pay all necessary legal, financial, and contingent costs in connection therewith. The bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Education of the District adopted on December 1, 2009 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District.

The bonds of this issue are comprised of \$\_\_\_\_\_ principal amount of Current Interest Bonds, of which this bond is a part (a "Current Interest Bond") and Capital Appreciation Bonds of which \$\_\_\_\_\_ represents the Denominational Amount and \$\_\_\_\_\_ represents the Maturity Value.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Bond Registrar, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Bond Registrar, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Bond Registrar may deem and treat the Registered Owner as the absolute Owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

Neither the District nor the Bond Registrar will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before August 1 are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20\_\_ are subject to redemption on or after August 1, 20\_\_ or on any date thereafter at the option of the District as a whole or in part at a redemption price equal to the principal amount thereof plus interest accrued thereon to the date fixed for redemption, without premium:

The Current Interest Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption from moneys in the Debt Service Fund on August 1 of each year on

and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Bonds to be so redeemed and the dates therefore and the final payment date is as indicated in the following table:

Redemption Dates

Principal Amounts

TOTAL

\$

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

**IN WITNESS WHEREOF**, the Long Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Education of the District, all as of the date stated above.

**LONG BEACH UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_ (Facsimile Signature)  
President, Board of Education

**COUNTERSIGNED:**

\_\_\_\_\_  
(Facsimile Signature)  
Clerk, Board of Education

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2009.

TREASURER AND TAX COLLECTOR OF  
LOS ANGELES COUNTY, as Bond Registrar

U.S. BANK NATIONAL ASSOCIATION, as Agent

By: \_\_\_\_\_ (Facsimile Signature)  
Authorized Signatory

## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

## LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(Facsimile Signature)  
Clerk, Board of Education

(Form of Legal Opinion)



**(Form of Capital Appreciation Bond)**

**REGISTERED  
NO.**

**REGISTERED  
\$**

**LONG BEACH UNIFIED SCHOOL DISTRICT  
(LOS ANGELES COUNTY, CALIFORNIA)  
2009 GENERAL OBLIGATION REFUNDING BOND**

<b><u>ACCRETION RATE:</u></b>	<b><u>MATURITY DATE:</u></b>	<b><u>DATED AS OF:</u></b>	<b><u>CUSIP</u></b>
___ % per annum	August 1, ___	Date of Delivery	_____

**REGISTERED OWNER:     CEDE & CO.**

**DENOMINATIONAL AMOUNT:**

**MATURITY VALUE:**

The Long Beach Unified School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value being comprised of the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing February 1, 2010, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denomination Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Bond Registrar, initially U.S. Bank National Association, as agent of the Los Angeles County Treasurer and Tax Collector. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Bond Registrar.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond is one of an authorization of bonds issued by the District pursuant to Government Code Section 53550 *et seq.* (the "Act") for the purpose of refunding certain of the District's outstanding \$25,000,000 General Obligation Bonds, Election of 1999, Series A, dated

July 27, 1999, \$60,000,000 General Obligation Bonds, Election, Election 1999, Series C, dated August 1, 2001, \$40,000,000 General Obligation Bonds, Election 1999, Series D, dated May 21, 2002, \$60,000,000 General Obligation Bonds, Election 1999, Series E, dated May 20, 2003, and \$50,000,000 General Obligation Bonds, Election 1999, Series F, dated June 22, 2004, and to pay all necessary legal, financial, and contingent costs in connection therewith. The bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Education of the District adopted on December 1, 2009 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount. The bonds of this issue are general obligations of the District.

The bonds of this issue are comprised of \$\_\_\_\_\_ principal amount of Current Interest Bonds (each a "Current Interest Bond") and Capital Appreciation Bonds, of which this bond is a part, in the Denominational Amount of \$\_\_\_\_\_ and the Maturity Value of \$\_\_\_\_\_.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Bond Registrar, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Bond Registrar, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so in a form satisfactory to the Bond Registrar, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Bond Registrar may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

Neither the District nor the Bond Registrar will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Capital Appreciation Bonds are not subject to redemption prior to maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on

**IN WITNESS WHEREOF**, the Long Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Clerk of the Board of Education of the District, all as of the date stated above.

**LONG BEACH UNIFIED SCHOOL DISTRICT**

By: \_\_\_\_\_ (Facsimile Signature)  
President, Board of Education

**COUNTERSIGNED:**

\_\_\_\_\_  
(Facsimile Signature)  
Clerk, Board of Education

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2009.

TREASURER AND TAX COLLECTOR OF  
LOS ANGELES COUNTY, as Bond Registrar

U.S. BANK NATIONAL ASSOCIATION, as Agent

By: \_\_\_\_\_ (Facsimile Signature)  
Authorized Signatory

all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

## LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(Facsimile Signature)  
Clerk, Board of Education

(Form of Legal Opinion)

**SECTION 11. Delivery of Refunding Bonds.** The proper officials of the District shall cause the Refunding Bonds to be prepared and, following their sale, shall have the Refunding Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Refunding Bonds, to the original purchaser upon payment of the purchase price therefor.

**SECTION 12. Deposit of Proceeds of Refunding Bonds; Escrow Agreement.** An amount of the net proceeds from the sale of the Refunding Bonds necessary to purchase the Federal Securities sufficient to refund the Refunded Bonds shall be transferred to the Escrow Agent for deposit in the escrow fund (the "Escrow Fund") established under the Escrow Agreement, which amount, together with an amount or amounts of cash held uninvested therein, shall be sufficient to refund the Refunded Bonds all as set forth in a certificate of an Authorized District Official. Premium or proceeds of the sale of the Refunding Bonds desired to pay all or a portion of the costs of issuing the Refunding Bonds may be deposited in the fund of the District held by the Bond Registrar and known as "Long Beach Unified School District 2009 General Obligation Refunding Bonds Series C Cost of Issuance Fund" (the "Cost of Issuance Fund") and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying costs of issuance of the Refunding Bonds.

Any accrued interest and premium received by the District from the sale of the Refunding Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Long Beach Unified School District 2009 General Obligation Refunding Bonds Series C Debt Service Fund" (the "Debt Service Fund") for the Refunding Bonds and used only for payments of principal and interest on the Refunding Bonds. The Debt Service Fund may, at the discretion of the District, be held by the County. Any premium received by the District from the sale of the Refunding Bonds not needed to pay for cost of issuance shall be deposited in either the Debt Service Fund or the Escrow Fund. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth herein for which the Refunding Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of the principal and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Notwithstanding any of the foregoing, the provisions of this Section 12 as they relate to the application of any premium received by the District from the sale of the Refunding Bonds may be amended by the Purchase Contract or the Official Statement so long as the transactions contemplated by such amendment are in compliance with the provisions of the Act.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal and Maturity Value of and interest on the Refunding Bonds as the same become due and payable, shall be transferred by the Treasurer and Tax Collector of Los Angeles County, if the Debt Service Fund is held by the County, to the Bond Registrar which, in turn, shall pay such moneys to DTC to pay the principal and Maturity Value of and interest on the Refunding Bonds. DTC will thereupon make payments of Principal and interest on the Refunding Bonds to the DTC Participants who will thereupon make payments of Principal and interest to the beneficial owners of the Refunding Bonds. Any moneys remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the general fund of the District.

Except as required below to satisfy the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), interest earned on the investment of monies

held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay principal and interest on the Refunding Bonds when due.

### **SECTION 13. Rebate Fund.**

(a) General. If necessary, there shall be created and established a special fund designated the "Long Beach Unified School District General Obligation Refunding Bonds Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), as the same may be amended from time to time, and the Treasury Regulations promulgated thereunder (the "Rebate Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and Section 14 of this Resolution and by the Tax Certificate concerning certain matters pertaining to the use and investment of proceeds of the Refunding Bonds, executed and delivered to the District on the date of issuance of the Refunding Bonds, including any and all exhibits attached thereto (the "Tax Certificate").

(b) Deposits.

(i) Within forty-five (45) days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate) (1) the District shall calculate or cause to be calculated with respect to the Refunding Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Rebate Regulations, using as the "computation date" for this purpose the end of such five Bond Years, and (2) the District shall deposit to the Rebate Fund from deposits from the District or from amounts available therefor on deposit in the other funds established hereunder, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the "rebate amount" so calculated.

(ii) The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section.

(iii) The District shall not be required to calculate the "rebate amount" and the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Refunding Bonds (including amounts treated as the proceeds of the Refunding Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148 (f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations or the small issuer exception of Section 148(f)(4)(D) of the Code, whichever is applicable, and otherwise qualify for the exception of the Rebate Requirement pursuant to whichever of said sections is applicable, or (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for



amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Withdrawal Following Payment of Refunding Bonds. Any funds remaining in the Rebate Fund after redemption of all the Refunding Bonds and any amounts described in paragraph (ii) of subsection (d) of this Section, including accrued interest, shall be transferred to the General Fund of the District.

(d) Withdrawal for Payment of Rebate. Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(i) not later than sixty (60) days after the end of (a) the fifth (5th) Bond Year, and (b) each fifth (5th) Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Rebate Regulations; and

(ii) not later than sixty (60) days after the payment of all Refunding Bonds, an amount equal to one hundred percent (100%) of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Rebate Regulations.

(e) Rebate Payments. Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by or on behalf of the District.

(f) Deficiencies in the Rebate Fund. In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(g) Withdrawals of Excess Amount. In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, upon written instructions from the District, the District shall withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) Record Retention. The District shall retain records of all determinations made hereunder until six years after the retirement of the Refunding Bonds.

(i) Survival of Defeasance. Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Refunding Bonds.

**SECTION 14. Security for the Refunding Bonds.** There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Refunding Bonds are outstanding in an amount sufficient to pay the principal and Maturity Value of and interest on the Refunding Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the Principal and Maturity Value of and interest on the Refunding Bonds when and as the same fall due. The District covenants to cause the County to take all actions necessary to levy such *ad valorem* tax in accordance with this Section 14 and Section 53559 of the Act.

**SECTION 15. Arbitrage Covenant.** The District will restrict the use of the proceeds of the Refunding Bonds in such manner and to such extent, if any, as may be necessary, so that the Refunding Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section.

**SECTION 16. Legislative Determinations.** The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Refunding Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Refunding Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Refunding Bonds. Furthermore, the Board finds and determines pursuant to Section 53552 of the Act that the prudent management of the fiscal affairs of the District requires that it issue the Refunding Bonds without submitting the question of the issuance of the Refunding Bonds to a vote of the qualified electors of the District.

**SECTION 17. Official Statement.** An Official Statement relating to the Refunding Bonds in substantially final form to be used in connection with the offering and sale of the Refunding Bonds and as presented to this Board, is hereby approved. The District and the Underwriter are hereby authorized to distribute copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of the Refunding Bonds and are directed to deliver copies of any final Official Statement to the purchasers of the Refunding Bonds described therein, in such time and manner as to conform with the requirements of Rule 15c2-12 of the Securities and Exchange Commission. Execution of the Official Statement shall conclusively evidence the District's approval of such Official Statement. The Superintendent and Chief Business and Financial Officer, each alone, are authorized to execute the Official Statement and to deem "final" pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934 the Preliminary Official Statement prior to its distribution.

**SECTION 18. Insurance.** In the event the District purchases bond insurance for the Refunding Bonds, and to the extent that the Bond Insurer makes payment of the Principal, interest or Accreted Value of the Refunding Bonds, it shall become the Owner of such Refunding Bonds with the right to payment of Principal, interest or Accreted Interest on the Refunding Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Bond Registrar shall note the Bond Insurer's rights as subrogee on the registration books for the Refunding Bonds maintained by the Bond Registrar upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Refunding Bonds, and (ii) in the case of subrogation as to claims for past due Principal or Accreted Value, the Bond Registrar shall note

the Bond Insurer as subrogee on the registration books for the Refunding Bonds maintained by the Bond Registrar upon surrender of the Refunding Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**SECTION 19. Defeasance.** All or any portion of the outstanding maturities of the Refunding Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund is sufficient to pay all Refunding Bonds outstanding and designated for defeasance (including all Principal, Accreted Value and interest represented thereby and prepayment premiums, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Refunding Bonds outstanding and designated for defeasance (including all Principal, Accreted Value and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Refunding Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Refunding Bonds shall cease and terminate, except only the obligation of the Bond Registrar or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of such designated Refunding Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, Government Obligations shall mean:

Direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service.

**SECTION 20. Other Actions, Determinations and Approvals.**

(a) Officers of the Board, District Officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Refunding Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby finds and determines that both the total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds will be less than the total net interest cost to maturity on the Refunded Bonds plus the principal amount of the Refunded Bonds, and the total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds attributable to the Series A Bonds, Series C Bonds, Series D Bonds, Series E Bonds and the Series F Bonds, respectively, will be less than the net interest cost to maturity plus the principal amount of the Refunding Bonds attributable to such series of Refunded Bonds.

(c) The Board anticipates that the Series A Bonds, Series C Bonds, Series D Bonds, Series E Bonds, and the Series F Bonds to be redeemed will be redeemed on the first optional prepayment date of such Refunded Bonds following the issuance of the Refunding Bonds.

(d) The Board hereby appoints U.S. Bank National Association as escrow agent (the "Escrow Agent") for the Refunding Bonds and approves the form of Escrow Agreement, dated as of December 1, 2009, by and between the District and the Escrow Agent on file with the Clerk of the Board. The Superintendent and the Chief Business & Financial Officer, each alone, are hereby authorized to execute the Escrow Agreement with such changes as they shall approve, such approval to be conclusively evidenced by either individual's execution and delivery thereof.

(e) The Board hereby appoints Piper Jaffray & Co., as Underwriter with respect to the issuance of the Refunding Bonds and Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as bond counsel and disclosure counsel with respect to the issuance of the Refunding Bonds.

(f) The provisions of this Resolution may be amended by the Purchase Contract and the Official Statement; if the Purchase Contract so provides, the Refunding Bonds may be issued as crossover refunding bonds pursuant to Section 53558(b) of the Government Code.

**SECTION 21. Resolution to Treasurer and Tax Collector.** The Clerk of this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer and Tax Collector of Los Angeles County immediately following its adoption.

**SECTION 22. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Refunding Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Refunding Bonds.

**SECTION 23. Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

**SECTION 24. Effective Date.** This Resolution shall take effect immediately upon its passage.

**PASSED AND ADOPTED** this 1st day of December, 2009, by the following vote:

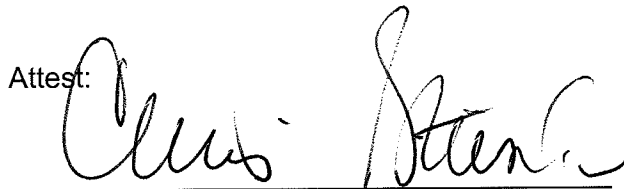
AYES: 4

NOES: 0

ABSENT: 0

ABSTENTIONS: 0

Attest:



Clerk, Board of Education  
Long Beach Unified School District



President, Board of Education  
Long Beach Unified School District

### CLERK'S CERTIFICATE

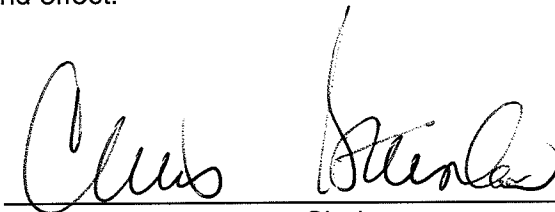
I, Chris Steinhauser, Clerk of the Board of Education of the Long Beach Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly and legally held at the regular meeting place thereof on December 1, 2009, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: December 1, 2009

  
Clerk

MINUTES OF A REGULAR MEETING OF THE BOARD OF EDUCATION  
OF THE  
LONG BEACH UNIFIED SCHOOL DISTRICT

December 1, 2009

A regular meeting of the Board of Education of the Long Beach Unified School District, County of Los Angeles, California, was held in the Community Room of the Administration Building at 1515 Hughes Way, Long Beach, California, on December 1, 2009.

Present: Members Barton, Meyer, Stanton, Williams and Student Member Trevor Kellogg.

Call to  
Order

President Stanton called the meeting to order at 3:00 p.m. in Room 464.

Closed  
Session

President Stanton announced that the Board would be considering Items 8 and 10 as listed on the Closed Session agenda.

Call to  
Order

Having completed the Closed Session, President Stanton called the Open Session meeting to order in the Community Room at 5:00 p.m. with the Pledge of Allegiance.

Report of  
Closed  
Session

President Stanton reported that the Governing Board had been meeting in Closed Session regarding matters listed on today's Closed Session agenda and wished to announce that the Board voted to approve a grievance settlement in case SC.092909.584.

The vote was unanimous with Members Barton, Meyer, Stanton and Williams participating.

Public  
Hearing

President Stanton announced that this was the time set aside for a public hearing regarding the Initial Bargaining Proposals from the Teachers Association of Long Beach (TALB), K-12 and CDC/Head Start, and asked if there was anyone present to speak to this matter.

Initial Bargaining  
Proposal from  
TALB

There was no response and the hearing was declared closed.

Call for  
Agenda Items/  
Adopt  
Agenda

President Stanton asked if Board Members had any items listed on the agenda for separate action.

It was moved by Member Barton that the agenda be adopted as published.

The motion carried, all voting aye.

Approval  
of  
Minutes

It was moved by Member Barton that the minutes of November 17, 2009 be approved as written.

The motion carried, all voting aye.

Communi-  
cations

Pat Kishi, New Teacher Project Coordinator, stated that she was pleased to introduce three outstanding, dedicated teachers who were designated as Teachers of the Year for the district. Two of the teachers were also selected as Los Angeles County Teacher of the Year. The are:

L.A. County  
Teachers of the  
Year

Amelia Valinsky-Fillipow, 3<sup>rd</sup> grade teacher at Kettering  
Jamaica Ross, EL Specialist and Coach at McKinley  
Adrienne Sandstedt, science teacher at Lindsey

The school principals said a few words about their teacher and then each teacher gave a brief speech.

President Stanton thanked the teachers for choosing to teach in our district. It was an honor being at the County awards ceremony, which was very emotional.

Hearing of  
Public  
Testimony

President Stanton asked if there was anyone present who wished to address the Board on matters of school district business listed on the agenda.

There was no response.

Staff Report

None.

Hearing of  
Public  
Testimony

President Stanton asked if there was anyone present who wished to address the Board on matters of school district business not listed on the agenda.

There was no response.

Personnel

Member Williams presented the Certificated and Classified Recommendations, prepared by the Assistant Superintendent, Human Resource Services, and approved and recommended by the Superintendent. (Attachments A and B)

It was moved by Member Williams that the Certificated and Classified Recommendations of the Assistant Superintendent, Human Resource Services, be approved and authorized.

The motion carried, all voting aye.

Instruction  
Report

Member Williams moved approval of the Instruction Report. (Attachment C)

The motion carried, all voting aye. (Student Member Kellogg voting aye.)

Consent Items

Member Williams moved approval of the Finance Report (Attachment D)

The motion carried, all voting aye.

Member Barton moved approval of the Purchasing & Contract Report. (Attachment E)

The motion carried, all voting aye.

Member Barton moved approval of the Business Report. (Attachment F)

The motion carried, all voting aye.

Superin-  
tendent's  
Items

None.

Unfinished  
Business

None.

New  
Business

Superintendent Steinhauser spoke on behalf of Lakewood High School. The district has a policy where schools may name buildings after individuals who have made significant contributions to our school system. After forming a committee, Lakewood HS would like to name their large gymnasium after a great coach who brought the basketball program to

Naming of



Existing School  
Building

great status, Tim Sweeney.

Member Barton moved approval of renaming the gymnasium at Lakewood High School after Coach Tim Sweeney.

The motion carried, all voting aye. (Student Member Kellogg voting aye.)

Health and  
Welfare Benefit  
Plan Rates

Kim Stallings, Chief Business and Financial Officer, presented the Health and Welfare Benefit Plans for the period of January 1, 2010 to December 31, 2010.

Member Williams moved approval of this motion.

The motion carried, all voting aye. (Student Member Kellogg voting aye.)

Resolution  
120109-A,  
Issuance and  
Sale of 2009  
General  
Obligation  
Refunding  
Bonds, Series C

Mr. Stallings presented Resolution 120109-A, Issuance and Sale of 2009 General Obligation Refunding Bonds, Series C. Mr. Stallings stated that the district has the opportunity in the current market to refund some old bonds, resulting in a lower tax rate for our constituents, therefore saving them money.

President Stanton inquired if this would lower the amount assessed to homeowners?

Mr. Stallings confirmed that it would.

Member Meyer moved approval of this motion.

The motion carried, all voting aye.

Resolution  
120109-B,  
Supplementary  
Early Retirement  
Plan

Member Barton moved approval of Resolution 120109-B, Supplementary Early Retirement Plan.

Mr. Stallings stated that this resolution would allow the district to move ahead with an enrollment period to see how many qualified K-12 Teachers would be interested in such a program. The enrollment period would be through January 29, 2010. Once the enrollment period has concluded, an analysis would be made and a recommendation presented as to how cost effective this option would be. Mr. Stallings reiterated that this needs to be a savings, with no cost to the district.

President Stanton clarified that this incentive excludes CDC and Head Start teachers.

Member Meyer stated that this is one of many approaches the district is taking to help mitigate potential teacher layoffs in the Fall. It's very important to him that we do all we can to be able to preserve the young teaching force in the district.

Member Barton inquired as to who verifies the cost effectiveness of the plan. Is it the County?

Mr. Stallings responded that the district self-certifies.

President Stanton asked if counseling sessions and workshops would be made available to interested teachers.

Ruth Ashley, Assistant Superintendent, Human Resource Services, responded that workshops have already been planned. Staff from Los Angeles County Office of Education (LACOE) will be available to meet individually with the teachers. Information will be

disseminated via email as well as the district's newsletter and web page.

The motion carried, all voting aye.

Resolution  
120109-C, Day of  
the Special  
Educator

Member Barton read Resolution 120109-C, Supporting Day of the Special Educator. December 3 has been designated as Day of the Special Educator, in recognition of their dedication and hard work in meeting the unique needs of our students.

Member Meyer moved approval of this motion.

The motion carried, all voting aye. (Student Member Kellogg voting aye.)

Report of  
Board  
Members

Member Williams reported that the reports presented at the recent Board Workshop had been very thorough and informational. He commended all the staff for their work and efforts.

Student Board Member Kellogg hoped that everyone had a wonderful Thanksgiving weekend, as we have much to be thankful for.

Mr. Kellogg reported that he attended an event for his former boss, Congressman Dan Lundgren. He had the opportunity to meet many dignitaries from the city, including former Governor George Deukmejian and former Mayor Beverly O'Neill. He witnessed first hand that we definitely live in a big city with a small town feeling, and he is very proud to represent the students of such a profound city.

Member Meyer thanked everyone for a great workshop. He sent special kudos to Tiffany Brown and her Attendance Recovery Team (ACT) for the wonderful interventions they are performing. These 12 individuals, broken into geographical areas, are making home calls on kids who are not coming to school, making that personal contact. The relationship is so important to keep kids, particularly those who are struggling, in school and help them to succeed.

Member Barton stated that he joined Members Williams and Meyer in thanking staff for the workshop they presented. They were always prepared to answer questions, even the obscure ones. It's nice to see people work in teams to make these presentations successful.

Dr. Barton spoke to the resolution just passed. Special Educators are special people, putting in many long hours, certainly on the emotional level. As a parent of an autistic child, he's worked with many educators to help his son reach a point where he could read and write, and he thanks those teachers for their work.

President Stanton stated that it was indeed a very informative workshop over the past two days. For those interested in more information, she referred them to the district's television channel which will air the complete workshops. Of particular interest to the public would be the progress of Measure K and the rebuilding and remodeling of our schools. It is an overwhelming task, and our staff, lead by Carri Matsumoto, has done a great job in breaking it down to make it understandable.

Announce-  
ments

Member Meyer thanked the District 3 Board candidates for being present. There is wonderful talent and he looks forward to working with one of them, after the December 29 special election.

ADJOURNMENT

President Stanton adjourned the meeting at 5:35 p.m. The next regular meeting of the Board of Education will be held on Tuesday, December 15, 2009 in the Administration Building, 1515 Hughes Way, at 5:00 p.m.

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Assistant Secretary



## RESOLUTION NO. 031511-B

### **A RESOLUTION OF THE GOVERNING BOARD OF EDUCATION OF THE LONG BEACH UNIFIED SCHOOL DISTRICT, COUNTY OF LOS ANGELES, CALIFORNIA, AUTHORIZING THE ISSUANCE OF LONG BEACH UNIFIED SCHOOL DISTRICT (LOS ANGELES COUNTY, CALIFORNIA) ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES B, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT-TO-EXCEED \$77,000,000**

**WHEREAS**, a duly called election (the "Election") was held in the Long Beach Unified School District, Los Angeles County, State of California (hereinafter referred to as the "District"), on November 4, 2008, at which the following proposition (the "Bond Measure") was submitted to the qualified electors of the District:

**"CLASSROOM REPAIR, STUDENT SAFETY MEASURE.** To make essential health/safety repairs, retain teachers, qualify for matching grants, shall Long Beach Unified School District retrofit schools for earthquake safety/handicap accessibility, repair restrooms/plumbing/roofs/fire safety, remove lead paint/asbestos, upgrade vocational classrooms/technology/energy efficiency, expand after-school programs, reduce overcrowding, by acquiring, repairing, constructing, equipping sites, facilities, joint-use buildings, and issuing \$1,200,000,000 in bonds at legal rates with independent audits, citizen's oversight, and no money for administrators' salaries?"

**WHEREAS**, at the Election, the Bond Measure received the affirmative vote of the requisite fifty-five percent or more of the electors of the District voting on the proposition (the "Authorization"), as certified by the Registrar of Voters of the County of Los Angeles in the official canvassing of votes;

**WHEREAS**, on May 7, 2009, the District caused the issuance of the first series of bonds under the Authorization in an aggregate principal amount of \$260,000,000;

**WHEREAS**, at this time this Board has determined that it is necessary and desirable to issue the second series of bonds under the Authorization in an aggregate principal amount not-to-exceed \$77,000,000 to be styled as "Long Beach Unified School District (Los Angeles County, California) Election of 2008 General Obligation Bonds, Series B" (the "Bonds");

**WHEREAS**, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 *et seq.* (the "Act"), the Bonds are authorized to be issued for the purposes set forth in the Bond Measure.

**WHEREAS**, the District has not received a qualified or negative certification in its most recent interim financial report; and

**WHEREAS**, this Board desires to authorize the issuance of the Bonds in one or more series of taxable or tax-exempt bonds, and further as any combination of Current Interest Bonds, Capital Appreciation Bonds, or Convertible Capital Appreciation Bonds, all as further defined herein; and

**WHEREAS**, the American Recovery and Reinvestment Act of 2009 ("ARRA") grants a national allocation of \$11 billion for each of calendar years 2009 and 2010 to provide for the issuance of qualified school construction tax credit bonds ("QSC Bonds") to provide financing for the construction, reconstruction and repair of public school facilities, in accordance with the qualified tax credit bond program found in Section 54A of the Code (defined herein);

**WHEREAS**, pursuant ARRA, the District has received portions of such allocations authorizing the issuance of QSC Bonds by the District in an amount not-to-exceed \$72,406,000 (and being composed of an allocation for calendar year 2009 of \$34,501,000 and an allocation for calendar year 2010 of \$37,905,000) (collectively, the "District Allocation");

**WHEREAS**, the Hiring Incentives to Restore Employment Act (the "HIRE Act") implemented changes to certain provisions in the Code permitting the issuance of QSC Bonds in the form of taxable, interest-bearing bonds with respect to which the issuer thereof may receive a cash subsidy payment from the United States Treasury (the "Treasury") on or about each interest payment date for such bonds ("Direct-Payment QSC Bonds");

**WHEREAS**, this Board desires to authorize the issuance of all or a portion of the Bonds as Direct-Payment QSC Bonds pursuant to Section 54A(d)(1)(E) and Section 6431(f) of the Code;

**WHEREAS**, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE LONG BEACH UNIFIED SCHOOL DISTRICT, LOS ANGELES COUNTY, CALIFORNIA, AS FOLLOWS:**

**SECTION 1. Purpose; Authorization.** To raise money for the purposes authorized by the voters of the District at the Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Bonds and orders such Bonds sold at a negotiated sale pursuant to the Act, such that the Bonds shall be dated as of a date to be determined by the Board, shall have interest rates which do not exceed those authorized by law and at the Election, shall be payable upon such terms and provisions as shall be set forth in the Bonds, and shall be in an aggregate principal amount not-to-exceed \$77,000,000.

The Board hereby authorizes the issuance of the Bonds in one or more series of taxable or tax-exempt Bonds and as any combination of Current Interest Bonds, Capital Appreciation Bonds, and Convertible Capital Appreciation Bonds (as defined herein) as set forth in the fully-executed Purchase Contract (defined herein). The Board further authorizes the issuance of all or a portion of the Bonds as QSC Bonds, subject to the provisions set forth in such Purchase Contract, and provided further that the principal amount of such QSC Bonds shall not exceed the District Allocation.

**SECTION 2. Paying Agent.** This Board does hereby appoint the Treasurer and Tax Collector of Los Angeles County (the "Treasurer"), as authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds on behalf of the District. The Treasurer is authorized to contract with any third party to perform the services of

Paying Agent under this Resolution. This Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable.

**SECTION 3. Form and Conditions of Sale.** The Bonds shall be sold at a negotiated sale upon the direction of the Superintendent of the District, the Chief Business and Financial Officer of the District or the Financial Services Officer of the District, or an authorized designee thereof (collectively, the "Authorized Officers"). The Board hereby authorizes the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for Piper Jaffray & Co. (the "Underwriter") to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. The Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below

**SECTION 4. Approval of Purchase Contract.** The form of Purchase Contract (the "Purchase Contract") by and between the District and the Underwriter, for the purchase and sale of the Bonds, substantially in the form on file with the Secretary or Clerk of the Board, is hereby approved and the Authorized Officers, each alone, are hereby authorized and requested to acknowledge the execution of such Purchase Contract; provided, however, that the interest rates on the Bonds shall not exceed that authorized at the Election and the Underwriter's discount, excluding original issue discount and expenses and costs of issuance paid by the Underwriter, thereon shall not exceed 1.0% of the aggregate principal amount of Bonds issued. The Authorized Officers, each alone, are further authorized to determine the principal amount of the Bonds to be specified in the Purchase Contract for sale by the District up to \$77,000,000 and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied. The Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriter and any such costs which the Underwriter agrees to pay pursuant to the Purchase Contract will equal approximately 1.7% of the principal amount of the Bonds.

**SECTION 5. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

(a) **"Accreted Interest"** means, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, the Accreted Value thereof minus the Principal Amount thereof as of the date of calculation.

(b) **"Accreted Value"** means, as of the date of calculation, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds prior to the Conversion Date, the Principal Amount thereof plus Accreted Interest thereon to such date of calculation, compounded semiannually on each August 1 and February 1, commencing on August 1, 2011 (unless otherwise provided in the Purchase Contract) at the stated Accretion Rate thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

(c) **"Accretion Rate"** means, unless otherwise provided by the Purchase Contract, that rate which, when applied to the Principal Amount of a Capital Appreciation

Bond or a Convertible Capital Appreciation Bond prior to the Conversion Date, and compounded semiannually on each February 1 and August 1 (commencing on August 1, 2011), produces the Maturity Value on the maturity date (with respect to Capital Appreciation Bonds) and the Conversion Value on the Conversion Date (with respect to Convertible Capital Appreciation Bonds).

(d) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal, Conversion Value or Maturity Value of and interest on the Bonds.

(e) **“Bond Payment Date”** means (unless otherwise provided by the Purchase Contract), (i) with respect interest payments on Current Interest Bonds, February 1 and August 1 of each year commencing August 1, 2011, (ii) with respect interest payments on Convertible Capital Appreciation Bonds after the Conversion Date, February 1 and August 1 of each year commencing with the first such Bond Payment Date following the Conversion Date, and with respect to principal payments on such Bonds, August 1 of each year commencing August 1, 2011, and, (iii) with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

(f) **“Capital Appreciation Bonds”** means the Bonds the interest component of which is compounded semiannually on each February 1 to August 1 (commencing August 1, 2011) to maturity as shown in the table of Accreted Value for such Bonds in the Official Statement.

(g) **“Code”** means the Internal Revenue Code of 1986, as the same may be amended from time to time. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

(h) **“Continuing Disclosure Certificate”** means that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

(i) **“Conversion Date”** means, with respect to Convertible Capital Appreciation Bonds, the date stated in the Purchase Contract as the date on which such Bonds, originally issued as Capital Appreciation Bonds, convert to Current Interest Bonds.

(j) **“Conversion Value”** means, with respect to Convertible Capital Appreciation Bonds, the Accreted Value as of the Conversion Date.

(k) **“Convertible Capital Appreciation Bonds”** means the Bonds which are originally issued as Capital Appreciation Bonds, but which convert to Current Interest Bonds on the Conversion Date.

(l) **“Current Interest Bonds”** means the Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

(m) **“Depository”** means the entity acting as security depository for the Bonds pursuant to Section 6(c) hereof.

(n) **“DTC”** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Bonds.

(o) **“Fair Market Value”** means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

(p) **“Information Services”** means Financial Information, Inc.'s Financial Daily Called Bond Service; Mergent, Inc., Called Bond Department; or Standard & Poor's J. J. Kenny Information Services Called Bond Service.

(q) **“Mandatory QSC Bond Reserve Fund Deposit”** means the scheduled of deposits which are required to be made into the QSC Bond Reserve Fund in each fiscal year during the term of the QSC Bonds, as set forth in the Purchase Contract.

(r) **“Maturity Value”** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(s) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 6(c) hereof.

(t) **“Non-AMT Bonds”** means obligations the interest on which is excludable from gross income for federal income tax purposes under Section 103(a) of the Code and not treated as an item of tax preference under Section 57(a)(5)(C) of the Code, that are legal investments pursuant to Section 53601 of the Government Code.

(u) **“Official Statement”** means the Official Statement for the Bonds, as described in Section 17 hereof.

(v) **“Outstanding”** means, when used with reference to the Bonds, as of any date, Bonds theretofore issued or thereupon being issued under this resolution except:

(i) Bonds canceled at or prior to such date;



(ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 8 hereof; or

(iii) Bonds for the payment or redemption of which funds or Federal Securities in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 19 of this Resolution.

(w) **“Owner”** means the registered owner of a Bond as set forth on the registration books maintained by the Paying Agent pursuant to Section 6 hereof.

(x) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(y) **“Paying Agent”** means the Treasurer and Tax Collector of Los Angeles County, and its designated agent, successor or assignee, acting in the capacity of paying agent, bond registrar, authenticating agent and transfer agent for the Bonds.

(z) **“Permitted Investments”** means (i) any lawful investments permitted by Section 16429.1 and Section 53601 of the Government Code, including Non-AMT Bonds and Qualified Non-AMT Mutual Funds, (ii) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, but without regard to any limitations in such Section concerning the percentage of moneys available for investment being invested in a particular type of security, (iii) a guaranteed investment contract with a provider rated in at least the second highest category by each rating agency then rating the Bonds, (iv) the Local Agency Investments Fund of the California State Treasurer, (v) the county investment pool maintained by the Treasurer, and (vi) State and Local Government Series Securities.

(aa) **“Principal”** or **“Principal Amount”** means, with respect to any Current Interest Bond, the principal or principal amount thereof and, with respect to any Capital Appreciation Bond and Convertible Capital Appreciation Bonds, the initial principal amount thereof.

(bb) **“QSC Bond Reserve Fund”** means the fund by that name established and held by the Treasurer under Section 24 hereof.

(cc) **“Qualified Non-AMT Mutual Fund”** means stock in a regulated investment company to the extent that at least 95% of the income of such regulated investment company is interest that is excludable from gross income under Section 103 of the Code and not an item of tax preference under Section 57(a)(5)(C) of the Code.

(dd) **“Qualified Permitted Investments”** means (i) Non-AMT Bonds, (ii) Qualified Non-AMT Mutual Funds, (iii) other Permitted Investments authorized by an opinion of Bond Counsel to the effect that such investment would not adversely affect the tax-exempt status of the Bonds, and (iv) Permitted Investments of proceeds of the Bonds, and interest earned on such proceeds, held not more than thirty days pending reinvestment or Bond redemption. A guaranteed investment contract or similar

investment agreement (e.g. a forward supply contract, GIC, repo, etc.) does not constitute a Qualified Permitted Investment.

(ee) **“Rating Agencies”** means Standard & Poor’s Rating Services, Fitch Ratings Service and Moody’s Investor’s Services.

(ff) **“Record Date”** means, with respect to Current Interest Bonds, the close of business on the fifteenth day of the month preceding each Bond Payment Date.

(gg) **“Required QSC Bond Reserve Fund Balance”** means, as of any date, the aggregate amount of all Mandatory QSC Bond Reserve Fund Deposits which are required to be on deposit in the QSC Bond Reserve Fund as of such date.

(hh) **“Securities Depository”** means The Depository Trust Company, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320.

(ii) **“Taxable Bonds”** means any Bonds not issued as Tax-Exempt Bonds.

(jj) **“Tax-Exempt Bonds”** means any Bonds the interest in which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Bonds.

(kk) **“Term Bonds”** means those Bonds for which mandatory redemption dates have been established in the Purchase Contract.

(ll) **“Transfer Amount”** means, (i) with respect to any Outstanding Current Interest Bond, the Principal Amount, (ii) with respect to any Outstanding Capital Appreciation Bond, the Maturity Value, and (iii) with respect to any Outstanding Convertible Capital Appreciation Bonds, the Conversion Value.

## **SECTION 6. Terms of the Bonds.**

(a) **Denomination, Interest, Dated Dates.** The Bonds shall be issued as Bonds registered as to both principal and interest, in the following denominations: (i) with respect to the Current Interest Bonds, \$5,000 Principal Amount or any integral multiple thereof, (ii) with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof, and (iii) with respect to Convertible Capital Appreciation Bonds, \$5,000 Conversion Value or any integral multiple thereof. The Bonds shall bear or accrete interest at a rate or rates such that the interest rate shall not exceed that permitted by law.

Each Current Interest Bond shall be dated their date of delivery (the “Dated Date”), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before first Record Date, in which event it shall bear interest from its Dated Date. Interest shall be payable on the respective Bond Payment Dates and shall be calculated on the basis of a 360-day year of twelve, 30-day months.

The Capital Appreciation Bonds shall mature in the years, shall be issued in aggregate Principal Amounts, shall have Accretion Rates and shall have denominational amounts per each \$5,000 in Maturity Value as shown in the Accreted Value Table attached to the Official Statement. The Convertible Capital Appreciation Bonds shall mature in the years, shall be issued in the aggregate Principal Amounts, shall have Accretion Rates and shall have denominational amounts per each \$5,000 in Conversion Value as shown in such Accreted Value Table; provided, that in the event that the amount shown in such Accreted Value Table and the Accreted Value caused to be calculated by the District and approved by the Bond Insurer, if any, by application of the definition of Accreted Value set forth in Section 6 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond or Convertible Capital Appreciation Bond, as applicable.

The Convertible Capital Appreciation Bonds shall convert to Current Interest Bonds on the Conversion Date. During the period while the Convertible Capital Appreciation Bonds are in the form of Capital Appreciation Bonds, they will not bear interest but will accrete value through the Conversion Date. From and after the Conversion Date, the Convertible Capital Appreciation Bonds will bear interest as Current Interest Bonds, and such interest will accrue based upon the Conversion Value of such Bonds at the Conversion Date. No payment will be made to the Owners of Convertible Capital Appreciation Bonds on the Conversion Date.

With respect to Bonds issued as Direct-Payment QSC Bonds, the District expects to receive, on or about each Bond Payment Date, a cash subsidy payment (each, a "Subsidy Payment") from the United States Treasury (the "Treasury") equal to the lesser of (a) the interest payable on such Direct-Payment QSC Bonds on such Bond Payment Date or (b) the amount of interest that would have been payable on such Bond Payment Date under such Direct-Payment QSC Bonds if such interest were determined at the applicable tax credit rate published by the Treasury pursuant to Section 54A(b)(3) of the Code. The District hereby directs the Authorized Officers, prior to each such Bond Payment Date for the Bonds, to submit or cause to be submitted to the United States Department of the Treasury, a subsidy reimbursement request in accordance with applicable Federal regulations. Upon receipt of such Subsidy Payments, the District shall deposit or cause to be deposited any such Subsidy Payments into the Debt Service Fund (defined herein) for the Bonds maintained by the County.

To the extent that the Bonds are issued as QSC Bonds, such Bonds shall have, in addition to any applicable terms and provisions herein, such additional terms and provisions as may be set forth in the Purchase Contract.

(b) Redemption.

(i) Terms of Redemption. The Bonds shall be subject to redemption prior to maturity as provided in the Purchase Contract or the Official Statement.

(ii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent, in a manner determined by the District, shall select Bonds for redemption by lot; provided, however, the Purchase Contract may provide that, within a maturity, Bonds shall be selected for redemption on a "Pro Rata Pass-Through Distribution of Principal" basis in

accordance with DTC procedures, provided further that, such redemption is made in accordance with the operational arrangements of DTC then in effect.

With respect to redemption by lot, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof, the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof, and the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Conversion Value thereof.

(iii) Notice of Redemption. When redemption is authorized or required pursuant to this Section 6(b) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Paying Agent, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register.

(b) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository.

(c) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Neither failure to receive or failure to publish any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(iv) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(v) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District's Debt Service Fund (defined herein), the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in this Section 6(b) hereof, together with interest accrued to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

(vi) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, in the case of Current Interest Bonds and Convertible Capital Appreciation Bonds after the Conversion Date, accrued interest with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

(c) Book-Entry System.

(i) Election of Book-Entry System. The Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination (except for any odd denomination Bond). The ownership of each such Bond shall be registered in the bond register maintained by the Paying Agent in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(i)(4).

With respect to book-entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately

preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an owner as shown in the bond register, of any notice with respect to book-entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Principal, premium, if any, or interest on the book-entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Bond is registered in the bond register as the absolute owner of such book-entry Bond for the purpose of payment of Accreted Value or Principal of and premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Accreted Value or Principal of and premium, if any, and interest on the Bonds only to or upon the order of the respective owner, as shown in the bond register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Accreted Value or Principal of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the bond register, shall receive a certificate evidencing the obligation to make payments of Accreted Value or Principal of, and premium, if any, and interest on the Bonds. Upon delivery by the Depository to the owner and the Paying Agent, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the District and the Paying Agent shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the owners, as shown in the bond register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such bond register in the name

of the Nominee, but shall be registered in whatever name or names the owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 6(c).

3. Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Bonds are held in book-entry and registered in the name of the Nominee, all payments by the District or the bond register with respect to Accreted Value or Principal of and premium, if any, or interest on the Bonds and all notices with respect to such Bonds shall be made and given, respectively to the Nominees, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

4. Transfer of Bonds to Substitute Depository.

(A) The Bonds shall be initially issued as described in the Official Statement described herein. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 6(c)(i)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository designated by the District, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(1) or (2), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(3), upon receipt of all outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to

deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the Maturity Value, Conversion Value or Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in Maturity Value, Conversion Value or Principal, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the owners of the Bonds.

**SECTION 7. Execution of the Bonds.** The Bonds shall be signed by the President of the Board, or other member of the Board authorized to do so by resolution of the Board, by his or her manual or facsimile signature and countersigned by the manual or facsimile signature of the Secretary or Clerk of the Board, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

**SECTION 8. Paying Agent; Transfer and Exchange.** So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Bond is registered on the bond register shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal or Accreted Value of and premium, if any, and interest on any Bond shall be made only to or upon the order of that person; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the bond register only upon presentation and surrender of the Bond at the principal office of the Paying Agent together with



an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like series, tenor and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the owner, the District, at the expense of the Bond owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Bonds, the District shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Bonds shall be retained for two years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

**SECTION 9. Payment.** Payment of interest on any Current Interest Bond or Convertible Capital Appreciation Bond after the Conversion Date, on any Bond Payment Date, shall be made to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount or Conversion Value of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption price, if any, payable on the Current Interest Bonds, the Accreted Value and redemption price, if any, on the Capital Appreciation Bonds or Convertible Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The interest, Accreted Value, Principal and premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* taxes levied on property subject to taxation by the District.

**SECTION 10. Forms of Bonds.** The Bonds shall be in substantially the forms as set forth in Exhibit A hereto, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution, the Official Statement and the Purchase Contract.

**SECTION 11. Delivery of Bonds.** The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Underwriter upon payment of the purchase price therefor.

**SECTION 12. Deposit of Proceeds of Bonds.** (a) The proceeds from the sale of the Bonds, to the extent of the Principal Amount thereof, shall be paid to the County to the credit of the fund hereby created and established and to be known as the "Long Beach Unified School District Election of 2008 General Obligation Bonds, Series B Building Fund" (the "Building Fund") of the District, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued, provided further that such proceeds shall be applied solely to authorized purposes approved at the Election. At the discretion of the District, the Building Fund may be split into more than one fund or contain subaccounts, with appropriate designation, in the event the Bonds are issued in more than on series. The accrued interest and any premium received by the District from the sale of the Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Long Beach Unified School District Election of 2008 General Obligation Bonds, Series B Debt Service Fund" (the "Debt Service Fund") for the Bonds and used only for payment of Accreted Value or Principal of and interest on the Bonds. At the discretion of the District, the Debt Service Fund may be split into more than one fund or contain subaccounts, with appropriate designation, in the event the Bonds are issued in more than on series. Interest earnings on moneys held in the Building Fund shall be retained in the Building Fund. Interest earnings on moneys held in the Debt Service Fund shall be retained in the Debt Service Fund. Any amounts that remain in the Building Fund at the completion of the projects for which the Bonds are being issued, at the written direction of the District, shall be transferred to the Debt Service Fund to be used to pay the Accreted Value or

Principal of, premium, if any, and interest on the Bonds, subject to any conditions set forth in the tax certificate to be executed by the District in connection with the issuance of the Bonds (the "Tax Certificate"). Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of Accreted Value or Principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

(b) Moneys in the Debt Service Fund and the Building Fund shall be invested at the written direction of the District, and after consultation with the County, in Permitted Investments. If at the time of issuance the District determines to issue the Bonds as Tax-Exempt Bonds without regard to the Internal Revenue Code "temporary period" restrictions, all investment of Bond proceeds shall be subject to paragraph (1) below; and the District, in consultation with the County, may provide for an agent to assist the County in investing funds pursuant to paragraph (1) below. If the District fails to direct the County or its agent, as the case may be, the County or its agent shall invest or cause the funds in the Building Fund to be invested in Qualified Permitted Investments, subject to the provisions of paragraph (1) below, until such time as the District provides written direction to invest such funds otherwise. Neither the County nor its officers and agents, as the case may be, shall have any responsibility or obligation to determine the tax consequences of any investment. The interest earned on the moneys deposited to the Building Fund shall be applied as set forth in subparagraph (1)(C) below:

(1) Covenant Regarding Investment of Proceeds.

(A) Permitted Investments. Beginning on the delivery date, and at all times until expenditure for authorized purposes, not less than 95% of the proceeds of the Bonds deposited in the Building Fund, including investment earnings thereon, will be invested in Qualified Permitted Investments which are rated in at least the second highest rating category by one of the two Rating Agencies. Notwithstanding the preceding provisions of this Section, for purposes of this paragraph, amounts derived from the disposition or redemption of Qualified Permitted Investments and held pending reinvestment or redemption for a period of not more than 30 days may be invested in Permitted Investments. The District hereby authorizes investments made pursuant to this Resolution with maturities exceeding five years.

(B) Recordkeeping and Monitoring Relating to Building Fund.

i. Information Regarding Permitted Investments. The District hereby covenants that it will record or cause to be recorded with respect to each Permitted Investment in the Building Fund the following information: purchase date; purchase price; information establishing the Fair Market Value of such Permitted Investment; face amount; coupon rate; periodicity of interest payments; disposition price; disposition date; and any accrued interest received upon disposition.

ii. Information in Qualified Non-AMT Mutual Funds. The District hereby covenants that, with respect to each investment of proceeds of the Bonds in a Qualified Non-AMT Mutual Fund pursuant to paragraph (1)(A) above, in addition to recording, or causing to be recorded, the information set

forth in paragraph (1)(B)(i) above, it will retain a copy of each IRS information reporting form and account statement provided by such Qualified Non-AMT Mutual Fund.

iii. Monthly Investment Fund Statements. The District covenants that it will obtain, at the beginning of each month following the delivery date, a statement of the investments in the Building Fund detailing the nature, amount and value of each investment as of such statement date.

iv. Retention of Records. The District hereby covenants that it will retain the records referred to in paragraph (1)(B)(i) and each IRS information reporting form referred to in paragraph (1)(B)(ii) with its books and records with respect to the Bonds until three years following the last date that any obligation comprising the Bonds is retired.

(C) Interest Earned on Permitted Investments. The interest earned on the moneys deposited in the Building Fund shall be deposited in the Building Fund and used for the purposes of that fund.

Except as required below to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of moneys held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay the Accreted Value or Principal of and interest on the Bonds when due.

### **SECTION 13. Rebate Fund.**

(a) The District shall create and establish a special fund designated the "Long Beach Unified School District Election of 2008 General Obligation Bonds, Series B Rebate Fund" (the "Rebate Fund"). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District.

(b) Within 45 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Treasury Regulations, using as the "computation date" for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the "rebate amount" so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the "rebate amount" and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Bonds (including amounts treated as proceeds of the Bonds)

(1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a "bona fide debt service fund." In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the "rebate amount" and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than 60 days after the end of (i) the fifth Bond Year, and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the "rebate amount" calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than 60 days after the payment of all Bonds, an amount equal to 100% of the "rebate amount" calculated as of the date of such payment (and any income attributable to the "rebate amount" determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the "rebate amount" calculated in accordance with said subsection, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) The District shall retain records of all determinations made hereunder until three years after the complete retirement of the Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Bonds.

**SECTION 14. Security for the Bonds.** There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are outstanding in an amount sufficient to pay the Principal and Accreted Value of and interest on the Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the Principal and Accreted Value of and interest on the Bonds when and as the same fall due. To the extent that the receipt and deposit of the Subsidy Payments with respect to the Bonds issued as Direct-Payment QSC Bonds is delayed or reduced, the County is hereby requested to adjust the tax levy as necessary.

The moneys in the Debt Service Fund, to the extent necessary to pay the Principal and Accreted Value of and interest on the Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the Principal and Accreted Value of and interest on the Bonds. DTC will thereupon make payments of Principal and Accreted Value and interest on the Bonds to the DTC Participants who will thereupon make payments of Principal and Accreted Value and interest to the beneficial owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, pursuant to the Education Code Section 15234.

**SECTION 15. Arbitrage Covenant.** The District covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

**SECTION 16. Conditions Precedent.** The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

**SECTION 17. Official Statement.** The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Clerk or Secretary of the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriter to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the

purchase of the Bonds and is directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

**SECTION 18. Insurance.** In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the principal, interest or Accreted Interest on the Bonds, it shall become the owner of such Bonds with the right to payment of principal, interest or Accreted Interest on the Bonds, and shall be fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal or Accreted Value, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**SECTION 19. Defeasance.** All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund (as hereinafter defined) is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal and interest and premium, if any; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, Government Obligations shall mean:

Direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. In the case of direct and

general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service.

**SECTION 20. Nonliability of County.** Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the County, nor its officials, officers, employees or agents shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Bonds are not a debt of the County or a pledge of the County's full faith and credit, and the Bonds and any liability in connection therewith shall be paid solely from the moneys derived from the levy of *ad valorem* taxes as provided herein.

**SECTION 21. Indemnification of County.** The District shall defend, indemnify and hold harmless the County, its officials, officers, agents and employees ("Indemnified Parties") against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject based in whole or in part upon any acts or omission related to the Bonds, except with regard to the County's responsibilities under Section 23 hereof. The District shall also reimburse the Indemnified Parties for any legal or other costs and expenses incurred in connection with investigating or defending any such claims or liabilities.

**SECTION 22. Reimbursement of County Costs.** The District shall reimburse the County for all costs and expenses incurred by the County, its officials, officers, agents and employees in issuing or otherwise in connection with the Bonds.

**SECTION 23. Request to County to Levy Tax.** The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds.

**SECTION 24. Qualified School Construction Bonds; QSC Bond Reserve Fund.** To the extent necessary and as provided in the Purchase Contract, the County shall establish, hold and maintain a fund to be known as the "Long Beach Unified School District Election of 2010 General Obligation Bonds QSC Bond Reserve Fund" (the "QSC Bond Reserve Fund"), to be maintained by the Treasurer as a separate account, distinct from all other funds of the County and the District. An amount equal to the Required QSC Bond Reserve Fund Balance shall be maintained on deposit in the QSC Bond Reserve Fund at all times. The QSC Bond Reserve Fund is hereby pledged for the payment of the principal of the QSC Bonds when due, including the principal coming due and payable if the QSC Bonds are redeemed pursuant to Section 6(b)



hereof. In the event of a redemption of QSC Bonds prior to maturity, the District will provide the County with a revised schedule of Mandatory QSC Bond Reserve Fund Deposits. Amounts in the QSC Bond Reserve Fund, to the extent necessary to pay the principal of the QSC Bonds when due, shall be transferred by the County to the Paying Agent as required. The QSC Bond Reserve Fund shall be funded in accordance the restrictions of that certain Tax Certificate to be executed and delivered by the District on the date of issuance of such QSC Bonds (the "QSC Bond Tax Certificate").

**SECTION 25. Other Actions.** (a) Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby confirms Piper Jaffray & Co. as the underwriter and Stradling, Yocca, Carlson & Rauth, a Professional Corporation, as bond counsel and disclosure counsel, with respect to the issuance of the Bonds.

(c) The provisions of this Resolution may be amended by the Purchase Contract and the Official Statement.

**SECTION 26. Resolution to County Treasurer-Tax Collector.** The Clerk of this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer immediately following its adoption.

**SECTION 27. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

**SECTION 28. Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

**SECTION 29. Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 15<sup>th</sup> day of March 2011, by the following vote:

AYES: 5

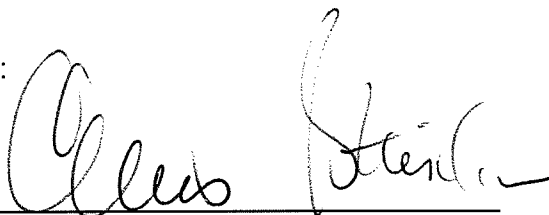
NOES: 0

ABSENT: 0

ABSTENTIONS: 0

  
\_\_\_\_\_  
President, Board of Trustees  
Long Beach Unified School District

Attest:

  
\_\_\_\_\_  
Clerk, Board of Trustees  
Long Beach Unified School District

I, Christopher Steinhauser, do hereby certify that the foregoing is a true and correct copy of Resolution No. 031511-B, which was duly adopted by the Board of Trustees of the Long Beach Unified School District at a meeting thereof held on the 15<sup>th</sup> day of March 2011, and that it was so adopted by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ABSTENTIONS: 0

By:



Clerk

**EXHIBIT A**  
**FORMS OF BONDS**

(Form of Current Interest Bond)

REGISTERED  
NO.

REGISTERED  
\$

LONG BEACH UNIFIED SCHOOL DISTRICT  
(LOS ANGELES COUNTY, CALIFORNIA)  
ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES B

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED AS OF:</u>	<u>CUSIP</u>
___% per annum	August 1, ____	_____, 2011	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Long Beach Unified School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2011. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2011, in which event it shall bear interest from the Date of Delivery. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association, as agent of the Treasurer and Tax Collector of Los Angeles County. Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of \$1,000,000 or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of \$\_\_\_\_\_ of bonds approved to raise money for the purposes authorized by voters of the District at the Election (defined herein) and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under

authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a special election held on November 4, 2008 (the "Election"), upon the question of issuing bonds in the amount of \$1,200,000,000 and the resolution of the Board of Trustees of the District adopted on March 15, 2011 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

[The bonds of this issue comprise (i) \$\_\_\_\_\_ principal amount of Current Interest Bonds, of which this bond is a part, (ii) Capital Appreciation Bonds of which \$\_\_\_\_\_ represents the initial principal amount and \$\_\_\_\_\_ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which \$\_\_\_\_\_ represents the initial principal amount and \$\_\_\_\_\_ represents the Conversion Value.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

[The Current Interest Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20\_\_ are subject to redemption at the option of the District as a whole or in part on any date on or after August 1, 20\_\_, at a redemption price equal to the Principal Amount of the Current Interest Bonds called for redemption, plus interest accrued thereon for the date fixed for redemption, without premium.]

[The Current Interest Bonds maturing on August 1, 20\_\_ are subject to mandatory sinking fund redemption from moneys in the Debt Service Fund prior to their stated maturity date, at the Principal Amount thereof without premium on each August 1, on and after August 1, 20\_\_, in the Principal Amounts as set forth in the following table:]

Redemption Dates

Principal Amounts

TOTAL

\$

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Long Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Trustees of the District, all as of the date stated above.

LONG BEACH UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_ (Facsimile Signature)  
President of the Board of Trustees

COUNTERSIGNED:

\_\_\_\_\_  
(Facsimile Signature)  
Clerk to the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2011.

U.S. BANK NATIONAL ASSOCIATION,  
as Paying Agent

\_\_\_\_\_  
Authorized Officer

## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

## LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(Facsimile Signature)  
Clerk, Board of Trustees

(Form of Legal Opinion)



(Form of Capital Appreciation Bond)

REGISTERED  
NO.

REGISTERED  
\$

LONG BEACH UNIFIED SCHOOL DISTRICT  
(LOS ANGELES COUNTY, CALIFORNIA)  
ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES B

ACCRETION RATE:      MATURITY DATE:      DATED AS OF:      CUSIP  
August 1, \_\_\_\_\_, 2011

REGISTERED OWNER:      CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The Long Beach Unified School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2011, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denominational Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association, as agent of the Treasurer and Tax Collector of Los Angeles County. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the designated office of the Paying Agent.

This bond is one of an authorization of \$\_\_\_\_\_ of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the Election (defined herein) to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at an election held on November 4, 2008 (the "Election"), upon the question of issuing bonds in the amount of \$1,200,000,000 and the resolution of the Board of Trustees of the District adopted on March 15, 2011 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and accreted interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252. The bonds of this issue are general obligations of the District payable solely from *ad valorem* taxes.

[The bonds of this issue comprise (i) \$\_\_\_\_\_ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds, of which this bond is a part, and of which \$\_\_\_\_\_ represents the initial principal amount and \$\_\_\_\_\_ represents the Maturity Value, and (iii)

Convertible Capital Appreciation Bonds, of which \$\_\_\_\_\_ represents the initial principal amount and \$\_\_\_\_\_ represents the Conversion Value.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

[The Capital Appreciation Bonds are not subject to redemption prior to maturity.]

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Capital Appreciation Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the Long Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Trustees of the District, all as of the date stated above.

LONG BEACH UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_ (Facsimile Signature)  
President of the Board of Trustees

COUNTERSIGNED:

\_\_\_\_\_  
(Facsimile Signature)  
Clerk to the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2011.

U.S. BANK NATIONAL ASSOCIATION,  
as Paying Agent

\_\_\_\_\_  
Authorized Officer

## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

## LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(Facsimile Signature)  
Clerk, Board of Trustees

(Form of Legal Opinion)

(Form of Convertible Capital Appreciation Bond)

REGISTERED  
NO.

REGISTERED  
\$

LONG BEACH UNIFIED SCHOOL DISTRICT  
(LOS ANGELES COUNTY, CALIFORNIA)  
ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES B

ACCRETION RATE TO <u>CONVERSION DATE</u>	<u>CONVERSION DATE</u>	INTEREST RATE AFTER THE <u>CONVERSION DATE</u>	MATURITY <u>DATE:</u>	<u>DATED DATE:</u>	<u>CUSIP</u>
_____	_____, 20__	_____	_____, 20__	_____, 2011	

REGISTERED OWNER: CEDE & CO.

INITIAL PRINCIPAL AMOUNT:

CONVERSION VALUE :

The Long Beach Unified School District (the "District") in Los Angeles County, California (the "County") for value received, promises to pay to the Registered Owner named above, or registered assigns, the Conversion Value on the Maturity Date, each as stated above, such Conversion Value comprising the principal amount and interest accreted thereon to the Conversion Date. Prior to the Conversion Date, this bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2011, at the Accretion Rate specified above to the Conversion Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the principal amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. After the Conversion Date, the District promises to pay to the Registered Owner named above, interest on the Conversion Value from the Conversion Date until the Conversion Value is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing \_\_\_\_\_, 20\_\_. This bond will bear such interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16<sup>th</sup> day of the month next preceding any Bond Payment Date to the Bond Payment date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before \_\_\_\_\_ 15, 20\_\_, in which event it will bear interest from the Conversion Date. Conversion Value and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the register maintained by the Paying Agent, initially U.S. Bank National Association, as agent of the Treasurer and Tax Collector of Los Angeles County. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

This bond is one of an authorization of \$\_\_\_\_\_ of bonds approved for the purpose of raising money for the purpose authorized by voters of the District at the Election (defined herein) to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of

the electors of the District cast at an election held on November 4, 2008 (the "Election"), upon the question of issuing bonds in the amount of \$1,200,000,000 and the resolution of the Board of Trustees of the District adopted on March 15, 2011 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and accreted interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252. The bonds of this issue are general obligations of the District payable solely from *ad valorem* taxes.

[The bonds of this issue comprise (i) \$\_\_\_\_\_ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds of which \$\_\_\_\_\_ represents the initial principal amount and \$\_\_\_\_\_ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which this bond is a part, and of which \$\_\_\_\_\_ represents the initial principal amount and \$\_\_\_\_\_ represents the Conversion Value.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

[The Convertible Capital Appreciation Bonds are not subject to redemption prior to maturity.]

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the Long Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Trustees of the District, all as of the date stated above.

LONG BEACH UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_ (Facsimile Signature)  
President of the Board of Trustees

COUNTERSIGNED:

\_\_\_\_\_  
(Facsimile Signature)  
Clerk to the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2011.

U.S. BANK NATIONAL ASSOCIATION,  
as Paying Agent

\_\_\_\_\_  
Authorized Officer



## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

## LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(Facsimile Signature)  
Clerk to the Board of Trustees

(Form of Legal Opinion)

(Form of Qualified School Construction Bond)

REGISTERED  
NO.

REGISTERED  
\$

LONG BEACH UNIFIED SCHOOL DISTRICT  
(LOS ANGELES COUNTY, CALIFORNIA)  
ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES B -1  
(QUALIFIED SCHOOL CONSTRUCTION BONDS – DIRECT PAYMENT TO DISTRICT)  
(FEDERALLY TAXABLE)

INTEREST RATE:      MATURITY DATE:      DATED DATE:      CUSIP

REGISTERED OWNER:      CEDE & CO.

PRINCIPAL AMOUNT:

The Long Beach Unified School District (the "District") in Los Angeles County, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2011. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2011, in which event it shall bear interest from the Date of Delivery. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association, as agent of the Treasurer and Tax Collector of Los Angeles County. Principal is payable upon presentation and surrender of this bond at the designated office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of \$1,000,000 or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of \$\_\_\_\_\_ of bonds approved to raise money for the purposes authorized by voters of the District at the Election (defined herein) and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a special election held on November 4, 2008 (the "Election"), upon the question of issuing bonds in the amount of \$1,200,000,000 and the resolution of the Board of Trustees of the District adopted on March 15, 2011 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest solely from the

proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

[The bonds of this issue comprise (i) \$\_\_\_\_\_ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds of which \$\_\_\_\_\_ represents the initial principal amount and \$\_\_\_\_\_ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which this bond is a part, and of which \$\_\_\_\_\_ represents the initial principal amount and \$\_\_\_\_\_ represents the Conversion Value.]

The bonds of this issue (the "Bonds") have been designated as "Qualified School Construction Bonds" for purposes of the American Recovery and Reinvestment Act of 2009, signed into law on February 17, 2009 (the "Recovery Act"), and as amended by the Hiring Incentives to Restore Employment Act of 2010 (the "HIRE Act"). Pursuant to the Recovery Act, the District expects to receive a cash subsidy payment (each, a "Subsidy Payment") from the United States Department of the Treasury (the "Treasury") equal to [the interest payable on such Bonds on each Bond Payment Date] [the amount of interest that would have been payable on such Bond Payment Date with respect to such Bonds if such interest were determined at the tax credit rate applicable to the Bonds (the "Tax Credit Rate"), which Tax Credit Rate was published by the Treasury and determined under Section 54A(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").] The Subsidy Payments do not constitute a full faith and credit guarantee of the United States Government, but are required to be paid by the Treasury under the Recovery Act. The District is obligated to deposit any Subsidy Payments it receives into the debt service fund for the Bonds.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

[The Current Interest Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20\_\_ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 20\_\_, at a redemption price equal to the principle amount of the Current Interest Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.]



The term “**Accountable Event of Loss of Qualified School Construction Bond Status**” means (i) any act or any failure to act on the part of the District constituting a breach of a covenant or agreement thereof contained in the Resolution and the Bonds which causes such bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds within the meaning of Section 54F of the Code, or (ii) the making by the District of any representation contained in the Resolution, the Tax Certificate or the Bonds, as applicable, which was untrue when made and the untruth of which representation at such time causes the Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds within the meaning of Section 54F of the Code.

The term “**Date of Loss of Qualified School Construction Bond Status**” is the date specified in a Determination of Loss of Qualified School Construction Bond Status as the date from and after which the Bonds lost their status, or failed to qualify, as Qualified School Construction Bonds as defined in Section 54F of the Code as a result of an Accountable Event of Loss of Qualified School Construction Bond Status, which date could be as early as the date of initial issuance and delivery of the Bonds.

The term “**Determination of Loss of Qualified School Construction Bond Status**” means (i) a final determination by the IRS (after the District has exhausted or waived all administrative appeal remedies) determining that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status and the amount of Bonds that are subject to the Accountable Event of Loss of Qualified School Construction Bond Status, or (ii) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status.]

Selection of maturities and the amounts of the Bonds of each maturity to be redeemed shall be determined by the Paying Agent in such equitable manner as it may determine.

The County shall cause the tax levy imposed to pay the principal of and interest on the Bonds to be adjusted, as necessary, to reflect any reduction of Subsidy Payments.

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected [by lot][on a pro rata basis] by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of Five Thousand Dollars (\$5,000) or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the County, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured, the registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the Long Beach Unified School District, Los Angeles County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the Clerk to the Board of Trustees of the District, all as of the date stated above.

LONG BEACH UNIFIED SCHOOL DISTRICT

By: \_\_\_\_\_ (Facsimile Signature)  
President of the Board of Trustees

COUNTERSIGNED:

\_\_\_\_\_  
(Facsimile Signature)  
Clerk to the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2011.

U.S. BANK NATIONAL ASSOCIATION,  
as Paying Agent

\_\_\_\_\_  
Authorized Officer

## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): \_\_\_\_\_ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: \_\_\_\_\_

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

## LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

\_\_\_\_\_  
(Facsimile Signature)  
Clerk to the Board of Trustees

(Form of Legal Opinion)